

BEST COPY
Available

CLASSIFICATION ~~SECRET~~
Approved For Release 2001/11/23 : CIA-RDP82-00457R00280034000 [REDACTED]**CONFIDENTIAL**

CENTRAL INTELLIGENCE AGENCY

REPORT NO. *MJL***INFORMATION REPORT****SECRET**

COUNTRY Austria/USSR/Germany

CD NO. 25X1A

SUBJECT USIA Orders Placed with Bahnbedarf A.G., Vienna

DATE DISTR. 14 JUN 49

PLACE ACQUIRED [REDACTED] 25X1A

NO. OF PAGES 2

DATE OF INFO. [REDACTED] 25X1A

NO. OF ENCLS.
(LISTED BELOW)

25X1A

[REDACTED] 25X1A

SUPPLEMENT TO
REPORT NO. [REDACTED]

[REDACTED] Next Review Date: 2008

USIA Methods of Placing Orders with Bahnbedarf A.G.

25X1X

1. Although the USIA-controlled construction firm Bahnbedarf A.G. is supervised by USIA's Construction and Building Materials Administration, Bahnbedarf also receives orders directly from the Central Commercial Bureau of USIA, Vienna I, Stalinplatz 10. The Commercial Bureau places orders for the repair and purchase of all types of machinery, whereas the Construction Administration places orders only for the repair of construction machinery. When an order is placed with Bahnbedarf, either SIDOROV or ANDREIEV, or SHEVCHENKO of the Central Commercial Bureau, calls the Austrian manager of Bahnbedarf to the Trattnerhof or Stalinplatz office, and gives him the order personally. The manager of Bahnbedarf is then required to submit a cost estimate which includes the cost of material, labor, overhead, ~~and taxes~~. [REDACTED] no matter how low this cost estimate is, USIA usually reduces the estimate by 10 percent. Work priority of the order is determined by SIDOROV after conferences with the Bahnbedarf manager and the firm placing the order. Whenever possible, Bahnbedarf begins work on the order immediately.

25X1A

Bahnbedarf Financial Arrangements

2. Bahnbedarf purchases materials required to fulfill these orders either from other USIA firms or from the Austrian economy. In order to purchase repair material, Bahnbedarf maintains a bank account of approximately 400,000 schillings at the Soviet Military Bank. All material purchased from the Austrian economy is paid for in cash drawn from the Bahnbedarf account by check signed by both the Austrian and the Soviet managers of Bahnbedarf. Bahnbedarf submits the bill for the material purchased from Austrian firms to either SIDOROV or ANDREIEV. Final payment for all repairs is made by USIA to the account of Bahnbedarf at the Soviet Military Bank. Orders from other USIA-controlled plants are routed either through the Central Commercial Bureau at Stalinplatz #10 or the Construction Branch in the Trattnerhof, where they are approved and then forwarded to Bahnbedarf for cost estimate. Bills for work done by Bahnbedarf for other USIA plants are sent directly to the plant concerned, which makes payment by check from its account to the account of Bahnbedarf at the Soviet Military Bank.

3. Non-USIA plants submit their orders to Bahnbedarf on an individual basis.

25X1A

25X1A

CENTRAL INTELLIGENCE AGENCY

ILLEGIB

and bills the company directly. In such cases payments are usually made by postal money order or bank check directly to Bahnbedarf, which in turn cashes the money order or check with the Military Bank. No credit is advanced to any non-USIA Austrian firm and there have been few cases where credit has been advanced to firms within the USIA-complex. When the order is completed and the bill has been paid, the ordering firm is alerted by Bahnbedarf, and, in the case of Austrian firms, the material is picked up by a common carrier. If the material is to be exported to Eastern Germany or the Soviet Union, SIDOROV or SHEVCHENKO advises Juschwneschtrans to arrange with the Austrian Federal Railway for shipping space. The material is shipped directly from the Bahnbedarf railway siding at Neu Erlaa,

USIA Shipments from Bahnbedarf to the USSR and the Soviet Zone of Germany

4. During the month of March 1949, Bahnbedarf repaired a total of 13 narrow-gauge steam locomotives and 119 tipple cars for shipment to the Soviet Union and the Soviet Zone of Germany. The locomotives were provided by several USIA construction firms. Of this total, seven narrow-gauge steam locomotives, weight approximately 80 tons, were repaired and shipped 14 March 1949 on delivery order #2648 from Bahnbedarf, Neu Erlaa, to Captain KASCHIN, Chemnitz-Hartau, Soviet Zone of Germany. The order was valued at 590,000 schillings and was placed through the USIA joint stock holding company, A/O Zement, (aktsionerngobshfestsvo). In addition, two narrow-gauge steam locomotives and 119 tipple cars were repaired and shipped on delivery order #4771, on 21 March 1949 to Captain KASCHIN.* [REDACTED] the value of this shipment at approximately 1,000,000 schillings. Four narrow-gauge steam locomotives, weight 79 tons, were repaired and shipped, 19 March 1949 on delivery order #6450/91011-11 from Bahnbedarf via Munkadhevo to V/O Machineimport, USSR. This order, valued at 800,000 schillings was also placed through A/O Zement. According to [REDACTED] who saw the original documents pertaining to these orders, all shipments to the Soviet Union bear a large blue stamp with the cyrillic letters "ЗИМ".

Equipment Being Repaired at Bahnbedarf, April 1949

5. Equipment Being Repaired at Bahnbedarf, April 1949 25X1A
 5. Bahnbedarf is now working on an order from USIA's Central Commercial Bureau for the repair of 92 tipple cars. These tipple cars were taken over as German property by USIA from various USIA-controlled firms. [REDACTED] the total cost of this repair order will approximate 52,000 schillings. The final destination of the tipple cars is not known, but [REDACTED] they will be shipped to Captain KASCHIN in Chemnitz-Hartau, Soviet Zone of Germany.

6. Also being repaired at Bahnbedarf are four diesel excavators:

- One Demag, Model K-1, #805, $0.4m^3$ bucket, weight 20 tons, value 170,000 schillings. This excavator was claimed as German property by USIA at St. Aegyd am Neuwalde, Lower Austria. It has already been sold for its cash value price to the Austrian construction firm, Pittel und Brausewetter, Vienna IV, Gusshausstrasse.
- One Weser-Huette, Model RL-1, $0.6m^3$ bucket, weight 20 tons, repair costs estimated at 70,000 schillings. This excavator was formerly the property of the USIA-controlled construction firm, Philip Holzmann. Its disposition is not known.
- One Menk-Hambruk, Model M.B., $0.8m^3$ bucket, valued at 320,000 schillings. This excavator was originally owned by the USIA-controlled firm, Donau Chemie A.G. Source believes it will probably be shipped to the USSR.
- One Ohrenstein Koppel which was turned over to Bahnbedarf by the underground factory at Loosdorf, Lower Austria.

Document No. 208

NO CHANGE in Class.

 DECLASSIFIED

Class: UNCLASSIFIED T S C

DRAFTED * FOR 77

Auth: Approved For Release 2001/11/23 : CIA-RDP82-00457R002800340008-0

Date: 18 Mar 48 L: 017

CONFIDENTIAL